

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF INDIANA
NEW ALBANY DIVISION

IN RE:)	Chapter 11
)	
EASTERN LIVESTOCK CO., LLC,)	Case No. 10-93904-BHL-11
)	
Debtor.)	Hon. Basil H. Lorch III

**TRUSTEE'S MOTION TO APPROVE COMPROMISE AND SETTLEMENT
WITH DE MAIO FARMS AND RANCHES, INC.**

Pursuant to Federal Rule of Bankruptcy Procedure 9019, James A. Knauer, as chapter 11 trustee ("Trustee") for the debtor, Eastern Livestock Co., LLC (the "Debtor"), by counsel, respectfully moves (the "Settlement Motion") the Court for approval of a compromise and settlement of claims between the Trustee and de Maio Farms and Ranches, Inc. d/b/a de Maio Land and Cattle ("de Maio"). In support of this Settlement Motion, the Trustee states as follows:

Introduction and Background

1. On March 22, 2012, the Trustee filed his Adversary Complaint (the "Adversary Proceeding") against de Maio as Adversary Proceeding 12-59011.
2. The Trustee alleged that de Maio owes the Debtor \$298,842.17 on account of the Debtor's prepetition delivery of cattle and as evidenced by Debtor's invoice numbers 290892, 290922, 307884, 311469, and 311468. The Trustee also alleged that de Maio received preferential transfers of Debtor's property in the total amount of \$53,160.34. de Maio answered the Adversary Complaint and denied that it owes the entire amount reflected in Debtor's invoices and claimed certain defenses and offsets. de Maio also denied that it received any preferential transfer of Debtor's property. Thereafter, counsel for the Trustee and de Maio

engaged in formal discovery and exchanged additional information and records that suggest de Maio did not actually receive all of the goods for which de Maio had contracted with the Debtor.

3. The parties have negotiated a settlement of the disputes and claims described above and now the Trustee requests the Court's approval of a settlement on the terms and conditions set forth in the Settlement Agreement and Mutual Release attached hereto as Exhibit A to this Settlement Motion ("Settlement Agreement")

The Settlement

4. Pursuant to the Settlement Agreement, de Maio has agreed to pay the Trustee the total amount of \$99,255.42 (the "Settlement Amount") within five (5) days of this Court's approval and final, non-appealable Order.

Basis for Relief

5. Pursuant to Federal Rule of Bankruptcy Procedure 9019, this Court has authority to approve a compromise or settlement on motion made by the Trustee after notice and opportunity for a hearing.

6. Under Bankruptcy Rule 9019, a bankruptcy court should approve a proposed compromise if it is fair and equitable and in the best interests of the estate. See In re Doctors Hosp. of Hyde Park, Inc., 474 F.3d 421, 426 (7th Cir. 2007); Depoister v. Mary M. Holloway Found., 36 F.3d 582, 586 (7th Cir. 1994); Matter of Energy Co-op, Inc. 886 F.2d 921, 927 (7th Cir. 1989).

7. In the Trustee's judgment, the compromise and settlement reflected in the proposed Settlement Agreement is fair and equitable and in the best interests of the estate in view of the defenses raised, the information currently available, and the risks inherent in litigation of this type. The alternative to the settlement is litigation of the claims between the Debtor and de

Maio, including a trial, which would result in additional expenses and delay and create the possibility of an outcome that would result in a smaller recovery to the estate.

8. In accordance with the Plan, the Settlement Amount received by the Trustee shall become part of the Collateral Fund (as that term is defined in the Plan).

9. If no objections to this Settlement Motion are filed, the Parties request that the Court enter the accompanying proposed Settlement Order approving the Settlement Agreement. If any objections to this Settlement Motion are filed, the Parties request the Court to schedule this matter for hearing by the Court on the earliest date that is available and convenient to the Court.

WHEREFORE, the Trustee respectfully requests that the Court enter the Settlement Order approving the Settlement Agreement attached hereto as Exhibit A and grant the Trustee all other just and proper relief.

Respectfully submitted,

FAEGRE BAKER DANIELS LLP

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CERTIFICATE OF SERVICE

I hereby certify that on March 3, 2014, a copy of the foregoing pleading was filed electronically. Notice of this filing will be sent to the following parties through the Court's Electronic Case Filing System. Parties may access this filing through the Court's system.

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